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Web Site www.vba.va.gov/bln/loan
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BULLETIN NO. 2003-02

January 13, 2003

TO: ALL HOLDERS AND SERVICERS

SUBJ: TITLE REQUIREMENTS - LOUISIANA

Purpose

The purpose of this bulletin is to provide a different mailing address for the Louisiana title packages and restate title requirements for Louisiana. When holders elect to convey property to the Department of Veterans Affairs (VA) pursuant to 38 CFR 36.4320, title packages for loans secured by property in Louisiana must be sent to the Houston Regional Loan Center.

Effective Date

The change is effective immediately.

When To Submit Title Packages

A complete and acceptable title package must be received at the Houston Regional Loan Center within 60 days after the foreclosure sale date.

Extensions And Penalties

Requests for extension of the deadline must be received before expiration of the 60 days and must outline in writing the reason for delay and the expected date title will be perfected. VA has no obligation to extend the 60-day deadline. If acceptable title is not received timely, custody of the property will be returned to the holder, and the holder will lose the right to convey the property to VA. When property is reconveyed to the holder, custody is returned and all payments made or expenses incurred by VA will be offset against future acquisition and/or claim payments to the holder. If holders are given an opportunity to clear title defects and reconvey the property to VA, they will not be reimbursed for any amounts offset.

The Title Package

The documents listed below are required when a loan is terminated by foreclosure action. Forward all documents in one package. The twelve digit VA loan identification number must appear clearly on all documents submitted. Incomplete packages are not acceptable and will be returned. Documents should be stapled together at the left hand corner only. Photocopies must be legible.

1. Only one of the following three items is required. The first item listed is the preferred evidence of title.
 - a. Special Warranty Deed warranting against the acts of the holder and those claiming under the holder and an acceptable title insurance policy insuring the Secretary of Veterans Affairs in an amount equal to the amount specified for credit to the indebtedness prior to the foreclosure sale (upset price), or rounded to the nearest, highest five hundred dollars. In cases where total indebtedness is specified, the policy should be in an amount equal to the principal balance of the loan, rounded to the nearest, highest five hundred dollars.

- b. Special Warranty Deed with an abstract of title and legal opinion. The abstract must be accompanied by a legal opinion directed to the Secretary of Veterans Affairs as to the quality of such title of record and a current tax certificate. Holders may submit a copy of the deed with the county clerk's file stamp or county clerk's receipt showing the file number.
 - c. General Warranty Deed certified by the parish recorder. The warranty language must not be qualified, and the deed must be accompanied by an appropriate corporate resolution and current tax certificate.
2. Mortgagee's Title Policy: The complete, original Mortgagee's Title Policy or a copy certified by the issuing title company.

Where To Mail Title Packages

Mail title packages to:

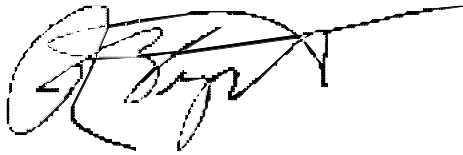
VA Regional Office (265)
6900 Almeda Road
Houston, TX 77030-4200

Questions And Comments

Please e-mail questions and comments concerning this bulletin to LGYHGALE@VBA.VA.GOV.

Rescission

This bulletin rescinds Loan Guaranty Bulletin No. 2001-10 dated, September 14, 2001.

A handwritten signature in black ink, appearing to read 'R. Biagioli', with a long horizontal stroke extending to the right.

R. BIAGIOLI
Loan Guaranty Officer